

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814



October 5, 1979

ALL-COUNTY INFORMATION NOTICE I-112-79

TO: ALL COUNTY WELFARE DIRECTORS

SUBJECT: BUDGETING SYSTEMS FOR AFDC

REFERENCE:

This is to bring you up to date on the status of the Garcia v. Swoap court case and the Department's plans to implement concurrent budgeting.

As you may be aware, the Department has been ordered in Garcia v. Swoap to adopt one of the two budgeting methods: concurrent, or retrospective with 100 percent supplementation. Of these options, concurrent budgeting has been selected mainly due to its significantly lesser cost. Retrospective budgeting with 100 percent supplementation is not being considered for the following reasons: excessive cost; the volume of cases to be handled approximates the number of cases with fluctuating income that affect the workload under concurrent budgeting; and 100 percent supplementation excludes consideration of the 30-1/3 income disregard and liquid resources in computing the supplementation amount.

The Attorney General on behalf of the Department appealed the Superior Court order with the California Court of Appeal. Pending a decision from the Court of Appeal, the Attorney General sought authorization from the Court of Appeal to continue retrospective budgeting with 80 percent supplementation payments. Additionally, the Attorney General requested an expedited review of the appeal. In response, the plaintiffs in Garcia filed a motion to require the Department to implement a 100 percent supplementation plan in the interim period prior to the Appellate Court's decision.

After consideration of the three motions, the Court of Appeal made the following rulings: The court denied the Department's motion for authorization to continue the 80 percent supplementation plan; the court granted the Department's motion for expedited review of the appeal and the court denied the plaintiff's motion to require the Department to implement 100 percent supplementation prior to the court's decision.

The import of the Appellate Court's ruling on the motions is that the Department, pending the outcome of the appeal, must continue to pursue the implementation of concurrent budgeting with all deliberate speed. Since the

Court of Appeal granted the motion for expedited review, a decision from the court can be anticipated within a few months after the oral argument. At this time, the date has not been set for the hearing. We also expect the court's consideration of the new federal budgeting regulations will result in a full sanction of all three of the new federal budgeting options:

1. Concurrent or prospective budgeting.
2. A retrospective budgeting system in which the monthly assistance payment is made within 25 days of the end of the budget month.
3. A retrospective budgeting system which provides for a minimum of 80 percent, or up to 100 percent, supplementation if there is a drop in income to the FBU.

Should the Court of Appeal grant our appeal, it is the Department's intention to continue a retrospective budgeting system.

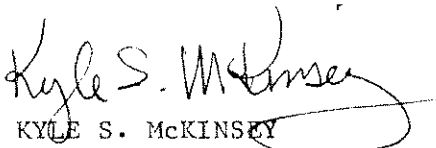
Meanwhile, we have discussed implementation of concurrent budgeting with two groups of county representatives selected by CWDA's Family Eligibility and Grant and Fiscal Committees. Additionally, the Department has requested the Department of Finance (DOF) for the necessary fundings. The filing of regulations to implement concurrent budgeting will occur only upon DOF approval of the funding.

County representatives recommended that the Department meet with counties for their input before adoption of regulations. This recommendation has been accepted. All counties will soon be receiving a copy of draft regulations which will incorporate suggestions received from the CWDA Family Eligibility and Grant Committee at its October 10 meeting. The Department intends to provide counties approximately four months after filing of regulations for implementation.

We will continue to advise you of developments in the litigation and its effect on our planning at all levels of government.

If you have any questions, please call your AFDC Management Consultant at (916) 445-4458.

Sincerely,


KYLE S. MCKINSEY
Deputy Director

Attachment

cc: CWDA